

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN ALLAN WALTERS**, on February 17, 2001
at 8:00 A.M., in Room 455 Capitol.

ROLL CALL

Members Present:

Rep. Allan Walters, Chairman (R)
Rep. Debby Barrett, Vice Chairman (R)
Rep. Tom Dell, Vice Chairman (D)
Rep. Norma Bixby (D)
Rep. Dee Brown (R)
Rep. Donald L. Hedges (R)
Rep. Hal Jacobson (D)
Rep. Larry Jent (D)
Rep. Michelle Lee (D)
Rep. Larry Lehman (R)
Rep. Ralph Lenhart (D)
Rep. Gay Ann Masolo (R)
Rep. Douglas Mood (R)
Rep. Alan Olson (R)
Rep. Holly Raser (D)
Rep. Rick Ripley (R)
Rep. Clarice Schrumpf (R)
Rep. Frank Smith (D)

Members Excused: None.

Members Absent: None.

Staff Present: Sheri Heffelfinger, Legislative Branch
Ruthie Padilla, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HJ 32, 2/13/2001; HB 568,
2/13/2001; HB 576, 2/13/2001
Executive Action: HB 565; HB 63

HEARING ON HJ 32

Sponsor: REPRESENTATIVE NORMA BIXBY, HD 5, LAME DEER

Proponents: Robert McLean, Grandfather of missing children
Representative Frank Smith, HD 98

Opponents: None

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 0}

REPRESENTATIVE NORMA BIXBY, HD 5, LAME DEER submitted and discussed statistical information on Placement Outside The Home. **EXHIBIT**(sth40a01)

Proponents' Testimony:

{Tape : 1; Side : A; Approx. Time Counter : 7.3}

Robert McLean, Grandfather of missing children submitted and discussed several pieces of information in discussing support to the bill, due to the abduction of his two grand daughters. A letter to Governor Marc Racicot **EXHIBIT**(sth40a02), a letter to Mike McGrath, Attorney General **EXHIBIT**(sth40a03), a letter to Representative Rick Hill from Department of Public Health and Human Services **EXHIBIT**(sth40a04), a letter to Robert McLean from Department of Public Health and Human Services **EXHIBIT**(sth40a05), an article on his two Northern Cheyenne missing grandchildren **EXHIBIT**(sth40a06), a letter to the Northern Cheyenne Tribal Council **EXHIBIT**(sth40a07), a resolution from the Northern Cheyenne Tribal Council **EXHIBIT**(sth40a08), and a report from the Billings Police Department **EXHIBIT**(sth40a09).

Representative Frank Smith, HD 98 discussed his support to the bill.

Questions from Committee Members and Responses:

None

Closing by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 0.3}

REPRESENTATIVE BIXBY said there are a lot of other instances like the example given. There are individuals who do not have correct information on the process and this would help with that issue. She said the way the system is set up these people are marked for life. She encouraged the committee to look into the way the system is set up and consider passing the bill.

HEARING ON HB 568

Sponsor: **REPRESENTATIVE JOEY JAYNE, HD 73, ARLEE**

Proponents: **Steve Kelley, Friends of the Wild Swan**
Tobby Dave, Citizen

Opponents: **Bud Clinch, DNRC**

Opening Statement by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 4.4}

REPRESENTATIVE JOEY JAYNE, HD 73, ARLEE told the committee the bill is concerned with timber resources. She read the Land Board Policy to the committee and said it is very specific to the sell of timber. The reason for the bill is to add civil cultural practices to the policy.

Proponents' Testimony:

{Tape : 1; Side : B; Approx. Time Counter : 11.2}

Steve Kelley, Friends of the Wild Swan said they have been tracking DNRC's forest management activities before the state Forest Management Plan. They currently lease a nature trail in the swan valley on state forest land. It is their opinion that there is potential for regeneration, but there are no trees. He feels the sooner they plant new trees the sooner the habitat will be replaced. He feels these types of things have slipped through the cracks over the years and the bill will help correct that.

Tobby Dave, Citizen said the bill is common sense. If you cut down a forest, there is a need to replant to have more trees to harvest later. After clear cuts and harvest there are erosion problems that occur and by planting as soon as possible would help eliminate the erosion problem.

Opponents' Testimony:

{Tape : 1; Side : B; Approx. Time Counter : 15.7}

Bud Clinch, DNRC said they oppose the bill for a wide variety of reasons. He discussed several sections with the committee and how it effects the rule making process of DNRC. He said rule making is a very difficult and long process to change. He told the committee, last year they generated 10.5 million dollars that was deposited into the fund that immediately funds education. He then explained the consequence of requiring tree planing in several areas, which would require a great deal of open area to grow. He told the committee the intent of the bill and it's aspects have already been taken care of and urged the committee to oppose the bill.

Questions from Committee Members and Responses:

{Tape : 2; Side : A; Approx. Time Counter : 7.9}

REPRESENTATIVE SMITH asked when this would go to in effect. **Bud Clinch** replied it was his understanding that if a bill does not have an effective date, it becomes effective October 1st of the 1st fiscal year.

REPRESENTATIVE MOOD asked **Steve Kelly** if during litigation DNRC started harvesting the sell of trees before a determination was made. **Steve Kelly** replied yes, they did go in the middle of the night and started harvesting.

REPRESENTATIVE MOOD asked to be described wether or not school trust lands are public lands or private lands. **Bud Clinch** replied that school trust lands are not public lands in the same sense as BLM lands. It is land used to generate money for school trust funds. **REPRESENTATIVE MOOD** asked if they were in the terms of the contract held when they sent a contractor in for the sub sell. **Bud Clinch** replied yes, they not only did it on their own by on DNRC's urging. DRNC was in litigation and when the specified time period expired, they instructed the purchaser that they were free to continue.

REPRESENTATIVE RIPLEY asked after all the forest fires this summer, how long the timber is good for and how the bill would impact those timber harvest. **Bud Clinch** said it depends on the type of tree on how long the timber is good. The time varies. The value can be impacted in as short as 30 days and minimally as long as two years on others. If the bill passes it would change how DNRC would do timber sells, fire management and regeneration.

REPRESENTATIVE LEE has a discussion with **Steve Kelly**. (Could not hear on the tape)

REPRESENTATIVE LEHMAN asked **Steve Kelly** if he currently lives in the Swan. **Steve Kelly** replied he does not live there but does have recreational property their for his enjoyment.

REPRESENTATIVE JACOBSON discussed the computer generated models of the trees with **Bud Clinch**.

REPRESENTATIVE RASER asked why the rule making process was put into the bill. **REPRESENTATIVE JAYNE** replied they chose to have it adopted because it then would become a sure thing. There are no rules adopted in the law for fire prevention.

REPRESENTATIVE JENT discussed the administrative rules act with **REPRESENTATIVE JAYNE**. He then asked if there are any current rules than govern timber sells or any forestry materials. **Bud Clinch** replied it was his understand no.

Closing by Sponsor:

{Tape : 2; Side : B; Approx. Time Counter : 17.6}

REPRESENTATIVE JAYNE said if the committee has a concern that adopting new rules is going to prevent timber sales or regeneration, it is not. She said it is there responsibility to ensure the land is getting regenerated. There are lands that are bing clear cut and not regenerated and that is what the bill is for.

HEARING ON HB 576

Sponsor: **REPRESENTATIVE JOEY JAYNE, HD 73, ARLEE**

Proponents: **Steve Kelley, Friends of the Wild Swan**
Michael Garrity, Citizen
Arlene Montgomery, Citizen

Opponents: **Bud Clinch, DNRC**

Opening Statement by Sponsor:

{Tape : 2; Side : B; Approx. Time Counter : 24}

REPRESENTATIVE JOEY JAYNE, HD 73, ARLEE said this bill would add a new section to the title of timber resources. The purpose of the bill is to maximize the money coming in and to have a better tracking system on the money and sells of the timber.

Proponents' Testimony:

{Tape : 2; Side : B; Approx. Time Counter : 29}

Steve Kelley, Friends of the Wild Swan told the committee there is no current way to track the sells and money generated by DNRC and no way to tell if a profit or loss is being generated because they do not have a system that is coincided with the state accounting system. This bill would let people see the profit being made and how the money is being generated and where it is going. There can be a lot of cost incurred in generating revenue and feels the bill would be great for the tax payers.

Michael Garrity, Citizen stated some individuals believe a business goal is to maximize revenue, but it is not to maximize revenue, but to maximize profit. The most important criteria in doing that is ample information. This bill will help provide full information to people and the land board to maximize net revenue for the management of school trust land for the benefit of the trustees.

Arlene Montgomery, Citizen submitted written testimony.
EXHIBIT(sth40a10)

Opponents' Testimony:

{Tape : 3; Side : A; Approx. Time Counter : 9.5}

Bud Clinch, DNRC said they stand in opposition to the bill, but not because they feel they cannot do the things asked but because of the question of "are they necessary". He said they will do any amount of accounting the legislative body wished them to do and have done a wide variety of it in the past. He explained the revenue process with the committee and said he can show on an annual basis how much it costs to run a whole forestry program and how much money they take in each year. He told the committee the bill is asking them to do daily time reports on everybody's activities down to half an hour or less and role those up and keep track of those on rolling schedule for six years because that is the duration of starting a project to when it is completely closed out. It is his assumption that the value of doing all the accountability is an attempt to provide information to the land board so they can make a determination to not go forth with a particular sell. He again clarified they can do this but there will be fiscal impacts in terms of additional staffing and other funding to do the computer interfacing.

Questions from Committee Members and Responses:

{Tape : 3; Side : A; Approx. Time Counter : 27.8}

REPRESENTATIVE HEDGES asked in the past 8 years has the Super Intendant of Public Instruction, who has a prime interest of net revenue for the school system, the Board of Regency, or the School Board asked for more detailed cost accounting of costs charged against the trust. **Bud Clinch** replied no, however, Chancellor Gilmore, from the School of Mines and they have responded back to him. **REPRESENTATIVE HEDGES** then asked if any member asked for any of that information would they respond with the information needed. **Bud Clinch** replied absolutely and could provide on a case by case basis the cost and time.

REPRESENTATIVE RIPLEY asked why timber sales are specifically being targeted. **REPRESENTATIVE JAYNE** replied that other Government Departments are not generating revenue unless it is to match funds to run their programs. Timber sales are done to get revenue back for a specific purpose and that is the reason why this specific bill is for timber industries.

REPRESENTATIVE RASER asked what the current procedure is for doing a land sale. **Bud Clinch** replied that the Land Board meets monthly on a regular scheduled basis and at those meeting if there are action items that needs their approval, he presents those. On each individual timber sale, they will give an overview of the proposed action of the bid amount and any other actions so they have the facts and terms of the sale.

REPRESENTATIVE RASER then asked if there was any documentation to the cost occurred in the sell. **Bud Clinch** replied not on an individual sell basis.

REPRESENTATIVE SMITH asked if they keep track of sending people out in the field and their man hours. **Bud Clinch** replied, they keep track of their travel and the individual time they spend on their programs.

REPRESENTATIVE WALTERS asked if the final check is the net amount of the gross. **Bud Clinch** replied it is a net check. The department is 100% funded out of revenues they produce.

REPRESENTATIVE RASER asked if it is more important to maximize jobs for Montanans or to maximize income from state lands. **Joe Lampson** replied not all the money goes to the schools. Some goes to the prisons and other things.

Closing by Sponsor:

{Tape : 4; Side : A; Approx. Time Counter : 27.8}

REPRESENTATIVE JAYNE closed on the bill and submitted written testimony on behalf of Keith Hammer. **EXHIBIT(sth40a11)**

EXECUTIVE ACTION ON HB 565

{Tape : 4; Side : A; Approx. Time Counter : 5}

Motion/Vote: REP. OLSON moved that HB 565 BE TABLED. Motion carried unanimously. 18-0

EXECUTIVE ACTION ON HB 63

{Tape : 4; Side : A; Approx. Time Counter : 8.2}

Motion: REP. DELL moved that HB 63 DO PASS.

Motion: REP. DELL moved that HB 63 BE AMENDED. **EXHIBIT(sth40a12)** and gave a summary of the amendment.

Discussion:

REPRESENTATIVE DELL discussed and gave a summary of his amendment. **EXHIBIT(sth40a13)**

Motion: REP. DELL moved that HB 63 BE AMENDED. **Vote:** Motion carried unanimously. 18-0

Motion: REP. DELL moved that HB 63 DO PASS AS AMENDED.

Motion: REP. DELL WITHDREW his motion that HB 63 DO PASS AS AMENDED.

ADJOURNMENT

Adjournment: 12:00 P.M.

REP. ALLAN WALTERS, Chairman

RUTHIE PADILLA, Secretary

AW/RP

EXHIBIT (sth40aad)